

Message Text

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TO USDOC WASHDC

INFO SECSTATE WASHDC 5169

AMCONSUL BOMBAY

AMCONSUL CALCUTTA

AMCONSUL MADRAS

UNCLAS NEW DELHI 5165

E.O. 11652: N/A

TAGS: BEXP IN

SUBJECT: INVESTMENT OPPORTUNITY: SMS ASSOCIATES PRIVATE LTD.

SEEKS U.S. TECHNOLOGY TO PRODUCE PACEMAKERS

1. SMS ASSOCIATES PRIVATE LIMITED, D1/42 VASANT VIHAR, NEW DELHI 110047 A TECHNICAL CONSULTANT TO HARYANA STATE INDUSTRIAL DEVELOPMENT CORPORATION LIMITED (HSIDC), CHANDIGARH, HAS APPROACHED THE EMBASSY FOR ASSISTANCE IN OBTAINING TECHNICAL KNOW-HOW FROM CARDIAC PACEMAKERS, INC. (CPI), 140 RED FOX ROAD, ST. PAUL, MINNESOTA 55112, FOR THE MANUFACTURE OF IMPLANTABLE PACEMAKERS. HSIDC HAS ALREADY OBTAINED THE FEDERAL GOVERNMENT'S PERMISSION TO ESTABLISH THIS FACILITY.

2. HSIDC IS A HARYANA STATE GOVERNMENT-OWNED AND MANAGED CORPORATION. IT PROMOTES INDUSTRIAL VENTURES ON ITS OWN AS WELL AS IN COLLABORATION WITH PRIVATE BUSINESS ENTREPRENEURS. HSIDC IS AMONG THE MORE PROGRESSIVE PUBLIC SECTOR CORPORATIONS THAT ARE ENGAGED IN THE ESTABLISHMENT OF SMALL, MEDIUM AND LARGE SIZED INDUSTRIAL PROJECTS IN THE STATE OF HARYANA. THE CORPORATION IS ALREADY OPERATING SEVERAL INDUSTRIAL VENTURES INCLUDING THE PRODUCTION OF TELEVISIONS, BEER, DETERGENTS, ETC.

3. THE PRODUCTION OF CARDIAC PACEMAKERS WILL BE UNDERTAKEN BY A NEW COMPANY CALLED HARYANA MEDICAL INSTRUMENTS LIMITED (HMI), CHANDIGARH. HMI IS A JOINT-SECTOR PARTNER OF HSIDC. FINANCIAL UNCLASSIFIED

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PAGE 02 NEW DE 05165 081039Z

STRUCTURE OF HMI PROJECT WILL BE AS FOLLOWS: HSIDC-26 PERCENT;

PRIVATE LOCAL PARTNER (MR. H.S. SIDHU)-25 PERCENT, AND UBSCRIP
TION TO THE GENERAL PUBLIC - 49 PERCENT.

4. HMI'S MANAGING DIRECTOR, H.S. SIDHU, RECEIVED A
MECHANICAL ENGINEERING DEGREE FROM THE UNIVERSITY OF WASHINGTON,
SEATTLE, WASHINGTON. AFTER
THE COMPLETION OF HIS US EDUCATION, SIDHU WORKED FOR THE BOEING
COMPANY FOR ABOUT SIX YEARS. HE IS KNWN TO BE OPERATING A
SMALL UNIT ENGAGED IN THE MANUFACTURE OF WIRE-WOUND RESISTORS,
SPECIAL TRANSFORMERS AND COILS FOR TV. SIDHU IS A VERY IMPRESSIVE
PERSON AND HAS GOOD OFFICIAL AND SOCIAL CONTACTS.

5. PROPOSAL: THE PROPOSAL CALLS FOR THE PRODUCTION OF 2,000
TO 2,500 IMPLANTABLE PACEMAKERS A YEAR. HMI PROPOSES TO ESTABLISH
THIS PLANT NEAR CHANDIGARH WHERE ALL INFRASTRUCTURAL FACILITIES
ARE AVAILABLE. TOTAL COST OF THE PROJECT IS ESTIMATED TO BE
DOLS800,000. PRESENTLY INDIA DOES NOT PRODUCE IMPLANTABLE PACE-
MAKERS. KNOWLEDGEABLE INDUSTRY AND GOVERNMENTAL SOURCES PLACE
INDIA'S CURRENT ANNUAL REQUIREMENT AT 1,000 UNITS. THESE SOURCES
FURTHER ADD THAT IF THE EQUIPMENT BECOMES DOMESTICALLY AVAILABLE,
ITS CONSUMPTION IS EXPECTED TO INCREASE SUBSTANTIALLY.

6. DURING HIS NOVEMBER-DDECEMBER 1975 U.S. VISIT, ANAND K.
SETHI, DIRECTOR, SMS, WAS INTRODUCED TO JAMES BAUSTRET, VICE
PRESIDENT, CARDIAC PACEMAKERS, IC., 1140 RED FOX ROAD, ST.
PAUL, MINNESOTA 55112 BY THE MINNEAPOLIS DISTRICT OFFICE
OF COMMERCE, SETHI INFORMS US THAT CPI HAD INDICATED A POSITIVE
INTEREST IN THE PROJECT.

7. ACTION REQUESTED: USDOC IS REQUESTED TO ASCERTAIN CPI'S
CURRENT INTEREST IN THE PROJECT. THE INDIAN PROMOTERS OF THE
PROJECT ARE VERY KEEN TO IMPLEMENT THIS PROJECT AT AN EARLY DATE.
IF CPI DOES NOT EVINCE INTEREST, PLEASE BRING THIS PROPOSAL TO
THE ATTENTION OF SUCH U.S. COMPANIES AS ARE KNOWN TO BE INTERESTED
IN ESTABLISHING A LICENSING ARRANGEMENT WITH HMI. INTERESTED
U.S. FIRMS SHOULD CONTACT ANAND K. SETHI,
DIRECTOR, SMS, DIRECTLY.

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